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Look in mirror spurs Tacoma Housing Authority to set \$32 minimum wage

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TACOMA — The whole point of April Black's organization is to combat poverty.

That's why the Tacoma Housing Authority executive director was troubled when she faced the reality that some of her own employees weren't making enough money to get by, she said, recalling the hard look in the mirror that led Tacoma Housing to adopt a \$32-an-hour minimum wage this summer.

The authority chose \$32 because that's about what you need to rent a typical two-bedroom apartment in Tacoma with no more than 30% of your income, Black said.

Nearly half of Tacoma Housing's 167 full-time employees previously made less, despite working for an organization that provides public housing for thousands of people. Maintenance workers. Accounting specialists. Office assistants. Case workers. The wage scales ranged as low as \$20 an hour, with a decent number of workers near that end, according to the authority.



1 of 7 | Brian Garcia, a maintenance specialist with the Tacoma Housing Authority at the Salishan complex in Tacoma, checks out a home on Monday that needs extensive repairs before a new family can move in. (Ellen M. Banner / The Seattle Times)

"We can't be a social justice organization paying poverty wages," Black said in an interview this month. "We can't have our staff struggling to stay housed while serving some of the most vulnerable people in our community."

A \$32 minimum may be unprecedented: Tacoma Housing isn't aware of any other housing authority in the country with a similar policy, and Black is touting the step as a call to action for other employers in the region. For context, Washington state's minimum wage, which covers Tacoma, is \$15.74. Seattle's is \$18.69.

Tacoma Housing is using a recent increase in federal funds to cover its added labor costs. The decision to pay a "housing wage" (\$32 an hour is about \$66,000 a year) grew from conversations Black had with employees, she said, including a mother displaced with her daughter by a massive rent hike.

"They were having a hard time finding something they could afford," had to bunk separately while searching and didn't have enough money to store their possessions, so they were thinking about giving things away, Black said.

Like other Puget Sound communities, Tacoma has been squeezed by housing challenges. Rents in Washington's third-largest city soared 21% between 2016 and 2019 while renter incomes climbed just 12%, according to a city report.

COVID-19 exacerbated those challenges, and renters priced out of Seattle have surged south. This April, more than 15,000 households entered a lottery for 1,825 spots on Tacoma Housing's list. Even the winners may have to wait two-plus years before they get a subsidized apartment or a rent voucher.

Scraping by

Black knows hardship. She and her mother had no power or water "for a couple of years" when she was growing up in rural Montana and spent time in a mobile home.

So when she ordered a review of Tacoma Housing's wages last year, the results were striking, she said. Some employees were eligible for food stamps or public housing. Even some longtime workers were scraping by.

"We have a lot of single parents working for us," and they face tough choices, like how to pay for child care, Black said.

A property specialist who joined the authority in 2008 and who handles paperwork at Tacoma Housing's Bay Terrace complex in the Hilltop neighborhood, Melody Jacobs was making about \$29 an hour.

Jacobs has regularly visited food banks and taken odd jobs to supplement her Tacoma Housing pay, she said, especially since her daughter was born three years ago and since an injury knocked her husband out of work last year.

"We've always struggled," said Jacobs, who commutes from Centralia. "As recently as a month ago, I was cleaning houses for people in my area."

The 40-year-old never expected to make a lot of money at Tacoma Housing, she said. But she didn't expect to be living on the edge, either, walking dogs and mucking stalls on the side to help pay for her family's medications.

"My mother was a Section 8 recipient," Jacobs said, referring to the rent voucher program that organizations like Tacoma Housing administer.

"We went to bed hungry," she said. "I was homeless from the time I was 16 to the time I was 22. I've been there and pulled myself out of it. I always told myself I was never going to raise a child the way I was raised."

Higher bar

After Black went through the wage numbers, she asked Tacoma Housing's board to approve a \$32 minimum, describing the status quo as unethical.

"They didn't flinch" once they understood the math behind the proposal, she said.

"There was very little disagreement about what to do."

The authority still had to bargain the change with a pair of unions. But the unions mostly supported the proposal, though they pushed back to also secure bumps for employees who were already making more than \$32, Black said.

The parties came to the bargaining table with the shared belief that "workers shouldn't have to depend on government subsidies," said Valarie Peaphon with OPEIU Local 8, which represents Tacoma Housing office workers.

In the end, Tacoma Housing agreed to pay everyone at least \$32 an hour and give everyone a raise of at least 5%, the authority said.

Jacobs now makes \$36 an hour. She said the boost will help.

"I'm going to be able to give my daughter a little more variety in what she eats, or just buy something she wants, like a new doll," Jacobs said. "Take a little more time off from cleaning houses and spend that time with my daughter, doing the things we like to do. She likes to help me garden."

Before he emigrated from Guatemala, Brian Garcia was a photojournalist by trade. Today, he makes repairs at Tacoma Housing's sprawling Salishan complex, steering a white van from town house to town house to wrestle with broken heaters, clogged toilets, damaged dishwashers and defective doors.

The maintenance specialist thinks the \$32 minimum will help his employer retain workers, as they deal with high prices for everything from gas to groceries. He previously made about \$26 an hour.

"You can give a little better food for your kids. You can give extra time," said Garcia, 45, who's raising an 8-year-old and a 9-year-old in nearby Federal Way. "You can buy one furniture or one appliance if you need. ... You can take a little vacation one weekend. This is good for everybody."

Tacoma Housing's wage update will cost the organization about \$1.3 million a year. For now, the money is coming from the authority's federal funding increase (the feds use a formula that accounts for rising rents in communities like Tacoma), Black said.

OPEIU Local 8 workers at other organizations are "eager to get into bargaining" with

Tacoma Housing's policy as a measuring stick, Peaphon said. About 25% of the Seattle Housing Authority's 702 full-time employees make less than \$32 an hour, a Seattle Housing spokesperson said.

"You can look at the cost of a pound of beef and see that \$15 an hour is no longer a livable wage, let alone the cost of an apartment," Peaphon said.

Black said she hopes Tacoma Housing's step pushes other employers to act, as the region continues to confront an affordable housing crisis.

"In all transparency, this is money we could be using to provide housing. But instead we're using it to increase staff wages," to make sure Tacoma Housing isn't contributing to the problem that it's trying to solve, Black said.

"Wages are housing," she added. "You can pay people wages that pay for housing, or you can pay to house people. ... We need to do both."

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